

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### **200.07.09H VA PAYMENT ADJUSTMENT FOR UNUSUAL MEDICAL EXPENSES (UME)**

VA considers unusual medical expenses when determining some needs-based pension and compensation payments. Expenses which exceed 5 percent of the maximum annual VA payment rate are considered unusual. The amount of the unusual medical expenses is deducted from countable income when computing the VA payment. As a result, the veteran, survivor or dependent may receive:

- A higher monthly VA payment,
- An extra payment or
- An increase in an extra payment.

#### **Treatment of UME**

VA payments resulting from unusual medical expenses are not income for eligibility or Medicaid Income purposes. These payments are considered as reimbursements for medical expenses or services that are excluded in the definition of income. Any unspent VA payments resulting from unusual medical expenses are resources if retained into the calendar month following the month of receipt.

**NOTE:** Prior to July 1, 1994, any VA increase or extra payment resulting from unusual medical expenses was income. The client was required to claim UME as part of the VA Improved Pension application process if UME would result in a higher benefit whether the client lived at home or in a nursing facility as part of the Utilization of Other Benefits provision.

#### **Deeming**

Under the deeming provision, the income of an ineligible spouse or parent who receives income based on need is not deemed to an eligible spouse or child in at-home cases. Needs-based pension and needs-based compensation payments are non-deemable along with any other income of the ineligible. However, if an ineligible spouse or parent receives a VA payment that is solely attributed to UME, the receipt of such payment will result in deeming the remaining income of the ineligible to the eligible.

For example, if an ineligible spouse receives Social Security and VA that is attributed solely to UME, the ineligible's Social Security would be deemable to the eligible. However, if the ineligible receives a VA needs-based pension or needs-based compensation payment in addition to payment for UME, all income of the ineligible is non-deemable to the eligible person.